



CALPEEK

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CAMPAIGN 2002: PROP. 42 WOULD REQUIRE GAS TAXES BE USED FOR TRANSPORTATION PROJECTS

Editor's note: Prop. 42 is very straight forward: Calif.'s current 6% sales tax on gasoline would only be used for transportation projects. It's not one of the sexiest issues ever placed before Calif. voters, but it is important. Here's our update & analysis...

... There is no formal opposition to Prop. 42, but several statewide public employee groups aren't thrilled with this proposal because these funds, about \$1.4 billion per year, can now be used for any purpose, not just transportation. If 42 is approved, the funds could only be used for transportation projects and this would be locked into the State Constitution. There has been only one public poll thus far: Field Poll, which shows 53% YES vs. 26% NO, with 21% undecided. This survey is several weeks old...

... Of the \$1.4 billion pot, 80% of the dollars would be used for local street/road repairs and new major projects. The other 20% would go to public mass transit projects. When combined with about \$3 billion per year in gasoline excise taxes, it's a ton of money being pumped into the State's economy...

... The Calif. Republican Party(CRP) went on record as favoring Prop. 42, but the Calif. Demo Party(CDP) decided to go *neutral* – at the request of labor leaders who realized that not all unions are on the same page with 42. Calif.'s important building & construction trade unions are key backers of 42, but as noted above, some state public employee unions don't like this proposal. But Calif. Gov. Gray Davis and Lt. Gov. Cruz Bustamante are both supporting 42, as are the GOP gubernatorial candidates...

... For the YES on 42 supporters (Taxpayers for Traffic Relief), their toughest job is telling voters that 42 doesn't raise taxes. The pitch in a huge statewide mailer to likely voters is "*Safer Roads – Traffic Relief – Without Higher Taxes.*" And to reinforce the message, YES on 42 is using firefighters and law enforcement to sell their message. Among the backers are CA Fire Chiefs Assn., COPS, and

CA Police Chiefs Assn...

... Endorsements: Only 2 major newspapers have come out NO on 42: L.A. Times and the BEE newspapers. The San Jose Mercury News, Contra Costa Times, San Bernardino County Sun, Orange Co. Register, San Diego Union Tribune and Long Beach Press Telegram are YES on 42. YES on 42 is on tv/radio in 4 major markets: L.A., San Diego, Sacto and S.F. Stay tuned...

PRIME TIME MADNESS: CALIF.'S TV STATIONS ARE CHARGING BIG BUCKS FOR POLITICAL ADVERTISING

Editor's note: Do most voters even know there's a primary election in Calif. on March 5th? Regardless, it's that time of year when Statewide Demo and GOP candidates (as well as sponsors of Statewide ballot measures) begin to bombard tv viewers with political ads. Here's a brief report...

... So what does it cost to run political spots? For a 45-day period prior to the election, tv stations are supposed to give candidates their lowest possible rate. Ballot measures don't fall under this rule. Here's a chart Calpeek has put together showing what it costs for a typical :30-sec. political ad:

	Prime	AM News	PM News
L.A.	\$12K-20K	\$1,100-1,200	\$1,600-2,400
S.F.	\$6K-15K	\$ 350-600	\$1,000-1,400
S.D.	\$4K-10K	\$ 250-300	\$ 600-1,100
Sacto	\$4K-10K	\$ 275-300	\$ 850-1,000

... FYI: some of the top-rated prime time shows cost more. For example, one source says it costs about \$28,000 to buy NBC-TV's The West Wing (\$48,000 for a ballot measure) in the L.A. media market. The women's figure skating on L.A.'s KNBC cost \$50,000 for a :30-sec. political spot. Regarding cable: the prices are much lower, but the audiences are much smaller...

... Measuring impact: it's done by rating points. To be effective, sources say a candidate should have between 700-1,000 rating points per week statewide. Cost of that kind of buy is about \$130,000 for each 100 rating points.

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Add on \$300,000 more for a ballot measure...

...So who is on tv? By Feb. 15th, Gov. Gray Davis(D) and two of his GOP rivals, former L.A. Mayor Richard Riordan and L.A. businessman Bill Simon Jr. had been up on tv for 4-5 weeks. In addition to the gubernatorial candidates, Demo Controller candidate Steve Westly and Demo Insurance Commissioner candidate Tom Calderon were up with tv ads. Ditto **YES on 45**(term limit extension) and **YES on 40** (the water, clear air & parks bond). Westly's ad was a bio spot: nothing extraordinary, but solid. Calderon's spot was very different: it was a spot done in signing, w/voice-over. Lots of buzz at the CA Demo Party convention about this particular spot...

...By Feb. 19th **YES on 42**(gas tax for transportation), Demo Sec. of State candidate Kevin Shelley and Supt. of Public Inst. candidate Jack O'Connell were up as well. And so was the 3rd GOP gubernatorial candidate, SOS Bill Jones, with a spot which not only touts his own experience, but has former GOP Gov. George Deukmejian hammering both Simon and Riordan – especially Riordan. Deukmejian says he can't support Riordan if he's the nominee. GOP controller candidate Tom McClintock went up Feb. 20th with 1,000 points each in Fresno, San Diego & Sacto. Stay tuned...

CAMPAIGN 2002: CALIF. LEGISLATIVE CONTESTS.

Editor's note: Here is Part VI in our continuing series of updates about key legislative primaries. NEXT WEEK: a recap of the hot races w/predictions...

☒ **4th SD** – This GOP primary features Assemblymen Dick Dickerson of Redding vs. Dr. Sam Aanestad, DDS of Grass Valley. Aanestad has a lead in fundraising, but Dickerson has a solid warchest too. The big difference: **independent expenditures**. The CA Dental Assn. PAC is putting big bucks behind Aanestad. The IE campaign for Aanestad is being run by consultant Steve Presson and sources say he's pounding away at Dickerson's vote for last year's budget (and for breaking his pledge not to vote for taxes). Mail, tv and several radio spots – all against Dickerson. Dickerson is fighting back and has some good law & order endorsements: CCPOA and CAUSE – with some substantial IEs of his own. But for now this GOP primary leans toward Aanestad...

☒ **36th SD** – It's heating up again in what has become a very bitter GOP primary between Assemblymembers Charlene Zettel of Poway and Dennis Hollingsworth of Riverside. Zettel is the moderate vs. Hollingsworth the conservative. Zettel has hit Hollingsworth with a radio ad in Riverside (KOLA & KWRP) which begins with

a female saying, "*What kind of man cheats on his wife?*" 2nd female says, "*Bill Clinton. Gary Condit. Dennis Hollingsworth.*" And in fact when Hollingsworth first ran for office he admitted an affair with a former female co-worker, so there's nothing new here. But the ad itself is gutsy because it could backfire. Lots of buzz in Sacto about this radio spot. Close contest...

☒ **12th SD** – The Modesto BEE has endorsed Demo attorney Armando Flores over former Assemblyman Rusty Areias on the Demo side; and Jeff Denham over former GOP Assemblyman Peter Frusetta. Despite the Modesto BEE's endorsement in both primaries, the favorites remain Areias on the Demo side and Frusetta on the Republican side. But there is some spin in Sacto that Denham, who has backing from many GOP lawmakers, might be able to pull an upset. Stay tuned...

CAMPAIGN 2002: NOTES FROM CDP CONVENTION.

Editor's note: From a hard news point of view, the recently concluded CA Demo Party convention in L.A. (Feb. 15-17) rated about a 5 on a 1-10 scale. But political junkies enjoyed Gov. Gray Davis' spin about his reelection prospects and also got a good look at most of the Statewide down-ballot candidates. Here's our brief update & analysis...

...Davis is totally focused on his reelection effort. When asked if he has national ambitions, Davis said he has no plans other than to seek reelection – no New Hampshire, no Iowa. When asked to explain his low polling numbers, Davis said all the private polls now show him leading his main GOP rival, former L.A. Mayor Richard Riordan. (In some private Demo polls, Davis is up by 4-5 points). In the GOP primary, the tracking polls show Riordan and rival Bill Simon Jr. in a statistical tie. The private poll Calpeek has seen is now a week old, but Riordan was at 31%, Simon at 27% and Jones at 21%. That's close and in fact CDP Chair Art Torres said he wouldn't be shocked if Simon "pulled a Davis" – an upset. Riordan once held a huge lead over his rivals, but according to an online Nat'l Review column by GOP consultant Arnie Steinberg, Riordan's own campaign "blunders" have kept Simon and Jones in the contest...

...Now for down-ballot Statewide candidates...

☒ **Secretary of State** – Former SOS March Fong Eu should not be running for anything. She really is past her prime and it showed. Michela Alioto collided with Gov. Davis when she said, "Give back the Enron \$\$." (Davis said he comes from the Jess Unruh school of politics and won't return the money). But the momentum at this CDP convention belonged to Assembly Majority Leader Kevin

Shelley. He won the CDP's endorsement with 66.69% (only 60% needed). Alioto tried to block Shelley but fell short with 28.10%. Eu got only 3.72%. If his tv works, Shelley wins, even though his current polling numbers show him at only 5%. Otherwise it's Eu – that's the conventional wisdom of many Demo insiders...

☒ **Controller** – The CDP battle between *e-Bay* millionaire Steve Westly and BOE Member Johan Klehs resulted in NO endorsement. Westly got 52.82% vs. 45.61% for Klehs – but Klehs put a very big effort into winning this endorsement. The Klehs spin: "We blocked Westly from getting the endorsement." Westly didn't need the CDP's endorsement as bad as Klehs because he's got tons of \$\$\$ and is already up on tv. Many (but not all) Demo insiders see Westly as the eventual winner in this primary, but Gov. Gray Davis is backing Klehs...

☒ **Insurance Commissioner** – The 3 Demo rivals decided (wisely) not to compete for a CDP endorsement. Too many resources would have been required. Former IC John Garamendi is still regarded as a slight favorite in this 3-way battle with Assemblyman Tom Calderon and former Clinton deputy drug czar Tom Umberg. Stay tuned...

CAMPAIGN 2002: HOT SOCIAL ISSUES OFTEN TAKE A BACK SEAT TO TAXES IN REPUBLICAN PRIMARIES

Editor's note: Whether it's a statewide battle or a down-ballot legislative primary, when GOP candidates start bashing one another today it is more often to involve the "T" word rather than social issues. Taxes of all kinds have become a litmus test for Republicans. Here's a brief report & analysis...

...In the GOP gubernatorial primary, candidate Bill Simon has accused rival Richard Riordan of being *soft* on **Prop. 13** and favoring internet taxes. Simon also has hit Bill Jones, blasting the SOS for his support of the 1991 Wilson budget which included a huge tax hike. And in the battle for Controller, BOE member Dean Andal(R) is trying to portray himself as being more ideologically pure on taxes than State Sen. Tom McClintock...

...Now back to Simon. He has signed onto a proposal by the Howard Jarvis Taxpayers Assn. to increase the current homeowner property tax exemption from \$7,000 up to \$25,000. Not a bad idea, as the \$7-K exemption has NOT been raised since 1974 – and in today's real estate market the average cost of a home or condo is now \$250,000 or higher. Simon and HJTA also want a hike in the renters tax credit. For homeowners, the tax relief would jump from \$70

per year to \$250. Sounds great, but there's a *catch*, according to Calpeek sources. The CA Constitution, Article 13, Sec. 3(k) mandates an *increase in state taxes* by the Legislature to backfill local government for the loss in property tax revenue. How much? About **\$1.6 billion**, our sources estimate. Did Simon know about this tax hike? Probably not. Could the exemption be done without a tax hike? Yes, by an initiative constitutional amendment, but local government would likely oppose this kind of proposal unless they could be made whole. The big question: will Jones or Riordan hit Simon for advocating a \$1.6 billion tax hike???

...FYI: the bashing over taxes gets hottest in GOP U.S. House and legislative races. And the topic which is most often discussed is the 2001-02 budget. That budget included a **1/4 cent hike** in the sales tax – mandated by a trigger which required the sales tax to go up if the budget reserve fell below \$3 billion. GOP legislative leaders tried to get more cuts, but 6 GOP lawmakers broke ranks and voted with the Demos. These 6 are known as the GOP's *Dirty Half Dozen*. They include 3 who are now seeking office: Mike Briggs (running for the 21st CD); Dick Dickerson (running for the 4th SD); and State Sen. Dick Montieth (running for 18th CD). Briggs and Dickerson are being pounded over this tax vote by their rivals. Stay tuned...

CAMPAIGN 2002: CITY AND COUNTY ELECTIONS.

Editor's note: Here's an update on some of the key city and county election battles taking place Mar. 5th...

● **San Diego DA's Update** – 1st term incumbent DA Paul Pfingst will probably be forced into a runoff. He's being pounded by the San Diego Deputy DAs Assn. (under the banner of *San Diegans Against Crime*). This group has launched a \$60-K radio buy on 4 stations. The two ads were produced by Image Associates in L.A. A poll done for attorney Mike Aguirre (Grove Quirk Insight) shows Pfingst's *reelect number* in the low 30% range. Aguirre, who has deep pockets, has pumped \$410,000 into a huge tv buy – no mail. Judge Bonnie Dumanis, who just started her limited tv buy this past week, has strong law & order backing, but against Aguirre's tv it might be an uphill battle. Deputy DA Mark Pettine doesn't have the funds, but has a great ballot title...

◆ **S.F. Public Defender Race** – There are only two local governments in the U.S. who elect their PDs: S.F. and Tampa Bay. The S.F. battle is between new PD Kimiko Burton, daughter of John; and Jeff Adachi, who spent 15 years in the PD's office as the #2 guy next to former PD Jeff Brown. When Mayor Willie Brown got Gov. Gray Davis to appoint Jeff Brown to the Calif. PUC

last year, Brown turned around and appointed Ms. Burton. Her first act as PD: fire Adachi. Burton's got tons of money and most all the key endorsements, with the exception of popular County Sup. Tom Ammiano and his allies. But Adachi has raised a credible warchest too and he's framing the contest as *David Vs. Goliath*. The contest is important for another reason: last year Mayor Willie and most of the candidates he supported were mashed by Ammiano & Company. If Adachi upsets Burton, it spells real trouble for Willie Brown...

◆ **El Toro – Measure W Update** – The forces who want to kill off a new international airport at the former Marine Corps Air Station at El Toro are in the driver's seat, according to most all **Calpeek** sources. The anti-El Toro airport crowd is backing Measure W on the Orange Co. ballot Mar. 5th to establish a regional park instead of an airport. And it's the YES on W forces which have most all of the money. FYI: Orange Co. DA Anthony Rackauckas, who signed the ballot argument against Measure F (last time), has told the Measure W team that he will vote YES this time. A little flip-flop, but that's OK as far as the YES on W forces are concerned...

CALPEEK'S INFOBAHN: POLITICAL SHORT TAKES.

Editor's note: Here are a few items, political & otherwise, worth noting...

■ **Extra Extra – Late News** – As **Calpeek** hit deadline, sources confirm that L.A. Mayor Richard Riordan will run 3 negative tv ads against rival Bill Simon Jr. This confirms what the private polling has been showing for the past few days: because of the low turnout (and thus higher conservative vote) Riordan and Simon are locked in a dead heat. In a memo to reporters, Team Simon asked, "Why is liberal Dick Riordan now attacking conservative Bill Simon?"...

■ **No More Chad by 2004** – On Feb. 13th, U.S. Judge Stephen Wilson of L.A. issued a ruling requiring L.A., San Diego, Alameda, Mendocino, Sacto, San Berdu, Shasta, Santa Clara and Solano counties to get rid of their punch card voting machines by 2004. Turns out that CA Sec. of State Bill Jones(R) had been working on this replacing the old systems, but not until 2005. Money is a big problem because the new touch-screen systems are expensive: to replace the voting machines in L.A. County will cost about \$100 million, one source told **Calpeek**. A partial solution: Prop. 41 on the Mar. 5th ballot provides \$200 million to assist local government with replacement costs. Prop. 41 was put on the ballot by Assemblymembers Bob Hertzberg(D) and Kevin Shelley(D). Problem is that YES on

41 has collected only about \$150,000 – not nearly enough for a solid voter education program...

■ **Loretta & Linda's Mom in TV Pitch** – It certainly is a different kind of spot: Mrs. Maria Sanchez, mother of U.S. Rep. Loretta Sanchez and 39th CD candidate Linda Sanchez, urging (in Spanish) Univision viewers to vote for both her daughters...

■ **Davis Signs Workers' Comp Bill** – Gov. Gray Davis has signed AB 749 to substantially increase workers' benefits and reform Calif.'s current workers' comp law. No word yet on whether Calif.'s business community will launch a referendum against AB 749. The 90-day clock to get a referendum on the ballot started when Davis signed the bill...

CALPEEK'S NEW JOBS AND PERSONNEL NOTICES.

Editor's note: Here are some items to mark down in your notebook...

● Longtime partners Peter Bagatelos and Barry Fadem have split their law practice. It's now Fadem & Assoc. in LaFayette (925)283-0581 and Bagatelos Law Firm in S.F. (415)242-8830...

● After a brief stint at the L.A. office of Hill & Knowlton PR, Tony Bell has been hired as the communications deputy for L.A. Co. Sup. Mike Antonovich...

● Gov. Davis has named Melinda A. Farrell as deputy director of the CA Film Commission...

● After 18 months at L.A.-based Rogers & Assoc., Matt Klink returns to Cerrell Associates as a VP. He replaces George Ross, who moved to NV to work for a lobbying firm...

● Political consultant Chris Wysocki has returned to Calif. after working in both Chicago and DC. Wysocki has joined Gilliard Blanning & Assoc. as a principal. Also joining G-B & Assoc. is Gina Zari...

● Reed & Davidson LLP has named James A. Sivesind as a partner and Jerry Margaret Simmons has resumed her law practice as Of Counsel to the R&D firm...

● Attorney Phil Recht has been confirmed to a post on the L.A. City Transportation Commission...